

FORM D

PRIOR NOTICE OF A TRANSACTION

Filed with the Insurance Commissioner of the State of WASHINGTON, the ALASKA Division of Insurance and the OREGON Insurance Division

BY

[NEW PREMIERA BLUE CROSS CORP.]

ON BEHALF OF THE FOLLOWING HEALTH CARRIERS AND INSURANCE COMPANIES:

PREMERA BLUE CROSS BLUE SHIELD OF ALASKA CORP.

2550 Denali Street, Suite 1404
Anchorage, AK 99503

LIFEWISE HEALTH PLAN OF OREGON, INC.

2020 SW Fourth Avenue, Suite 1000
Portland, Oregon 97201

[NEW LIFEWISE HEALTH PLAN OF WASHINGTON, INC.]

7001 220th St. SW, Bldg. 3
Mountlake Terrace, WA 98043-2124

~~**STATES WEST LIFE INSURANCE**~~**LIFEWISE ASSURANCE** COMPANY

7001 220th St. SW, Bldg. 2
Mountlake Terrace, WA 98043-2124

LIFEWISE HEALTH PLAN OF ARIZONA, INC.

7001 220th St. SW, Bldg. 3
Mountlake Terrace, WA 98043-2124

~~**MSC LIFE INSURANCE COMPANY**~~

~~3900 East Sprague Avenue~~
~~P.O. Box 3048~~
~~Spokane, WA 99220-3048~~

Dated: ~~September 27, 2002~~February 5, 2004

Notices and Correspondence Concerning this Notice
Should be Addressed to:

John P. Domeika
Senior Vice President and General Counsel
Premera Blue Cross
P.O. Box 327, Mail Stop 316
Seattle, Washington 98111

Tel: (425) ~~670~~918-5277
Fax: (425) ~~670~~918-5787

PRIOR NOTICE OF A TRANSACTION

This notice (this "Notice") is being filed concurrently with the Insurance Commissioner of the State of Washington (the "Commissioner"), the Alaska Division of Insurance and the Oregon Insurance Division by Premera Blue Cross in connection with the proposed conversion of PREMERA and certain of its affiliates to for-profit corporations. This Notice follows the form of the Prior Notice of a Transaction (the "Washington Health Carrier Form D") prescribed by Section 48.31C.050 of the Revised Code of Washington ("RCW") and Section 284-18A-940 of the Washington Administrative Code ("WAC"). In addition, this Notice contains all of the information required by (i) the Prior Notice of a Transaction prescribed by Section 48.31B.030 of the RCW and Section 284-18-940 of the WAC (the "Washington Insurer Form D"), (ii) the Prior Notice of a Transaction or Request for Director's Approval of a Transaction" of a Domestic Health Insurer prescribed by Section 21.22.085 of the Alaska Statutes ("AS") and Section 3 AAC 21.185 of the Alaska Administrative Code (the "AAC") (the "Alaska Form D"), and (iii) the Prior Notice of a Transaction prescribed by Section 732.574 of the Oregon Revised Statutes ("ORS") and Section 836.027.0160 Exhibit 4 of the Oregon Administrative Rules (the "OAR") (the "Oregon Form D"). Annex I attached hereto provides a cross reference guide which correlates the information set forth in this Notice with the relevant provisions of the Washington Insurer Form D, the Alaska Form D and the Oregon Form D.

This Notice is being submitted as Exhibit G-9 to the Statement of Acquisition and Control of a Domestic Health Carrier and a Domestic Insurer submitted to the Commissioner, the Attorney General of the State of Washington, Alaska Division of Insurance and Oregon Insurance Division on September 17, ~~2002~~2002, and amended on February 5, 2004 (the "Form A") concerning the acquisition of control of Premera Blue Cross, a Washington non-profit health care service contractor ("PBC"), ~~States West Life Insurance~~LifeWise Assurance Company, a Washington for-profit insurance company ("~~SWL~~LWA"), LifeWise Health Plan of Washington, a Washington non-profit health care service contractor ("LifeWise Washington"), ~~MSC Life Insurance Company~~LifeWise Health Plan of Arizona, Inc., a Washington for-profit insurance company ("~~MSCLW-AZ~~"), Premera Blue Cross Blue Shield of Alaska, ~~a to be formed an~~an Alaska for-profit insurance company ("PBC-AK"), and LifeWise Health Plan of Oregon, Inc., an Oregon for-profit insurance company ("LifeWise Oregon", and together with PBC, ~~SWL~~LWA, LifeWise Washington, ~~MSCLW-AZ~~ and PBC-AK, collectively, the "Acquired Companies"), all of which are; ~~or will be in the case of PBC-AK,~~ direct or indirect affiliates of PREMERA, a Washington non-profit corporation ("PREMERA"), by a to be formed entity, [New PREMERA Corp.], a Washington for-profit corporation ("New PREMERA") (the "Conversion Transaction").

Currently, there are a number of agreements that exist among and between either two Acquired Companies or one of the Acquired Companies and another affiliated company within the PREMERA holding company system. A list of those agreements that are currently in effect between any two of the Acquired Companies is attached as Exhibit 1 hereto, which also identifies the date upon which the applicable state official provided notice that the proposed transaction was not disapproved. A list of those agreements that exist between one of the Acquired Companies and another affiliated company within the PREMERA holding company system is attached as Exhibit 2 hereto, which also identifies the date upon which the applicable state official provided notice that the proposed transaction was not disapproved. Certain of these agreements listed in Exhibits 1 and 2 will be unaffected by the Conversion Transaction since the parties to such agreements will continue to exist after the consummation of the Conversion Transaction. Certain other agreements

listed on Exhibits 1 and 2 have either PBC or LifeWise Washington as one of the parties thereto, and as part of the Conversion Transaction, will be assigned to [New Premera Blue Cross Corp.], a to be formed Washington for-profit corporation ("New PBC") or [New LifeWise Health Plan Washington, Inc.] a to be formed Washington for-profit corporation ("New LifeWise Washington"), as applicable, pursuant to Transfers of Assets Agreements. Because these agreements are assignable and only exist between two parties, the Acquired Companies do not believe that another regulatory review of these agreements by the Commissioner is necessary.

By means of this Notice, New PBC on behalf of the Acquired Companies desire that the Commissioner, the Alaska Division of Insurance and the Oregon Insurance Division not disapprove a new Intercompany Services and Cost Allocation Agreement and Intercompany Tax Sharing Agreement, as described in more detail herein and which have similar terms to the agreements that are currently in force today.

[New PBC and PBC-AK desire that the Commissioner and the Alaska Division of Insurance not disapprove a new Guaranty Agreement in which New PREMERA provides certain guarantees to New PBC and a separate new Guaranty Agreement in which New PREMERA provides certain guarantees to PBC-AK.](#)

Finally, PBC-AK will enter into a management and services agreement with New PBC (the "Management Agreement"), which is attached as Exhibit H-2 of the Form A. By means of this Prior Notice of Transaction, New PBC and PBC-AK desire that the Commissioner and the Alaska Division of Insurance not disapprove the Management Agreement.

ITEM 1. IDENTITY OF PARTIES TO TRANSACTION

Furnish the following information for each of the parties to the transaction: (a) Name; (b) Home office address; (c) Principal executive office address; (d) Organizational structure; (e) Description of the nature of the parties' business operations; (f) Relationship, if any of the other parties to the transaction to the health carrier filing the notice, including any ownership or debtor/creditor interest by any other parties to the transaction in the health carrier seeking approval, or by the health carrier filing the notice in the affiliated parties; and (g) Where the transaction is with a nonaffiliate, the name(s) of the affiliate(s) which will receive, in whole or in substantial part, the proceeds of the transaction.

(a)-(g) Intercompany Services and Cost Allocation Agreement: The name, home office address, principal executive office address, organizational structure, description of the nature of the parties' business operations; and relationship, if any of the other parties to this agreement to the health carrier filing the notice, including any ownership or debtor/creditor interest by any other parties to this agreement in the health carrier seeking approval, or by the health carrier filing the notice in the affiliated parties are attached hereto as Exhibit 3. This agreement does not involve a nonaffiliate.

(a)-(g) Intercompany Tax Sharing Agreement: The name, home office address, principal executive office address, organizational structure, description of the nature of the parties'

business operations; and relationship, if any of the other parties to this agreement to the health carrier filing the notice, including any ownership or debtor/creditor interest by any other parties to this agreement in the health carrier seeking approval, or by the health carrier filing the notice in the affiliated parties are attached hereto as Exhibit 3. This agreement does not involve a nonaffiliate.

(a)-(g) Management Agreement:

(a) Name	Premera Blue Cross Blue Shield of Alaska Corp.	New PBC
(b) Home Office Address	2550 Denali Street, Suite 1404 Anchorage, AK 99503	7001 220th St. SW, Bldg. 3 Mountlake Terrace, WA 98043-2124
(c) Principal Executive Office Address	7001 220th St. SW, Bldg. 3 Mountlake Terrace, WA 98043-2124	Same as above
(d) Organizational Structure	Corporation	Corporation
(e) Description of Business Operations	Health Insurer	Managing General Agent
(f) Relationship of the parties	Affiliate	Affiliate
(g) Nonaffiliate Involvement	Not applicable	Not applicable

(a)-(g) Guaranty Agreement: The name, home office address, principal executive office address, organizational structure, description of the nature of the parties' business operations; and relationship, if any of the other parties to this agreement to the health carrier filing the notice, including any ownership or debtor/creditor interest by any other parties to this agreement in the health carrier seeking approval, or by the health carrier filing the notice in the affiliated parties are attached hereto as Exhibit 3. This agreement does not involve a nonaffiliate.

ITEM 2. DESCRIPTION OF THE TRANSACTION

Furnish the following information for each transaction for which notice is being given: (a) a statement of the nature of the transaction; (b) the proposed effective date of the transaction; (c) the statutory section, subsection or paragraph under which this Notice is being given is cited within the description of each transaction below; and (d) a copy of the latest year-end annual report filed with that party's regulatory authority, the latest quarterly financial statement prepared for the party's regulatory authority, and any other financial information required to be filed with the party's regulatory authority since the latest year-end report as required by the AAC.

(a)-(d) Intercompany Services and Cost Allocation Agreement: The Acquired Companies and all other affiliates within the New PREMERA holding company system will enter into an Intercompany Cost Allocation Agreement (the "Services and Cost Allocation Agreement").

The proposed effective date of this transaction is the ~~earliest of the date upon which New PBC, New LifeWise Washington or PBC AK is formed, but no later than the~~ effective date of the Conversion Transaction. Notice of this transaction is required under RCW 48.31C.050(2)(d), RCW 48.31B.030(1)(b)(iv), AS 21.22.085(a)(4), and ORS 732.574(2)(d). Copies of the Acquired Companies latest annual statement and June 30, 2002 quarterly statement will be provided to the Alaska Insurance Division.

(a)-(d) Intercompany Tax Sharing Agreement: The Acquired Companies and all other affiliates within the New PREMERA holding company system will enter into an Intercompany Tax Sharing Agreement (the "Tax Sharing Agreement"). The proposed effective date of this transaction is the ~~earliest of the date upon which New PBC, New LifeWise Washington or PBC-AK is formed, but no later than the~~ effective date of the Conversion Transaction. Notice of this transaction is required under RCW 48.31C.050(2)(d), RCW 48.31B.030(1)(b)(iv), AS 21.22.085(a)(4), and ORS 732.574(2)(d). Copies of the Acquired Companies latest annual statement and June 30, 2002 quarterly statement will be provided to the Alaska Insurance Division.

(a)-(d) Management Agreement: As part of the Conversion Transaction, PBC-AK and New PBC will enter into a Management Agreement whereby New PBC will provide management and other administrative services for and on behalf of PBC-AK. The proposed effective date of this transaction is the date upon which PBC transfers certain of its assets and liabilities directly related to its operations in Alaska to ~~its~~ newly formed ~~wholly-owned subsidiary affiliate~~, PBC-AK, in exchange for 100% of the stock of PBC-AK as part of the Conversion Transaction. Notice of this transaction is required under RCW 48.31C.050(2)(d) and AS 21.22.085(a)(4). Copies of the Acquired Companies latest annual statement and June 30, 2002 quarterly statement will be provided to the Alaska Insurance Division. The form of Management Agreement is attached hereto as Exhibit 6.

(a)-(d) PBC-AK Guaranty Agreement: New PREMERA and PBC-AK will enter into a Guaranty Agreement under which New PREMERA will guarantee the obligations of PBC's Alaska operations incurred prior to the reorganization and the claims obligations of PBC-AK to its insureds, and, for a specified period, New PREMERA will make capital contributions to PBC-AK in the amounts necessary to ensure that PBC-AK maintains a risk-based capital level of 375%. The proposed effective date of this transaction is the effective date of the Conversion Transaction. Notice of this transaction is required under RCW 48.31C.050(2)(d) and AS 21.22.085(a)(4). Copies of the Acquired Companies latest annual statement and September 30, 2003 quarterly statement will be provided to the Alaska Insurance Division.

(a)-(d) New PBC Guaranty Agreement: New PREMERA and New PBC will enter into a Guaranty Agreement under which New PREMERA will guarantee the claims obligations of New PBC to its members. The proposed effective date of this transaction is the effective date of the Conversion Transaction. Notice of this transaction is required under RCW 48.31C.050(2)(d).

ITEM 3. SALES, PURCHASES, EXCHANGES, LOANS, EXTENSIONS OF CREDIT, GUARANTEES, OR INVESTMENTS

~~Not applicable.~~

(a)-(d) PBC-AK Guaranty Agreement: New PREMERA and PBC-AK will enter into a Guaranty Agreement under which New PREMERA will guarantee the obligations of PBC's Alaska operations incurred prior to the reorganization and the claims obligations of PBC-AK to its insureds, and, for a specified period, New PREMERA agrees to provide capital contributions to

PBC-AK in an amount necessary for PBC-AK to maintain a risk based capital position of 375%.
The form of the Guaranty Agreement is attached as Exhibit 7.

(a)-(d) New PBC Guaranty Agreement: New PREMERA and New PBC will enter
into a Guaranty Agreement under which New PREMERA will guarantee the claims obligations of
New PBC to its members. The proposed effective date of this transaction is the effective date of the
Conversion Transaction. The form of the Guaranty Agreement is attached as Exhibit 8.

ITEM 4. LOANS OR EXTENSIONS OF CREDIT TO A NONAFFILIATE

Not applicable.

ITEM 5. REINSURANCE

Not applicable.

ITEM 6. MANAGEMENT AGREEMENTS, SERVICE AGREEMENTS AND COST-SHARING ARRANGEMENTS

For management and service agreements, furnish: (a) a brief description of the managerial responsibilities or services to be performed; and (b) a brief description of the agreement, including a statement of its duration, together with brief descriptions of the basis for compensation and the terms under which payment or compensation is to be made.

Management Agreement: Under the Management Agreement, New PBC will provide all management functions and all administrative services, including, but not limited to: actuarial, underwriting, sales, operations, finance, legal, human resources, care facilitation and information technology. PBC-AK will compensate New PBC for such services on a cost basis as calculated under the Services and Cost Agreement. The form of the Management Agreement is attached as Exhibit H-2 to Form A [and Exhibit 6 hereto](#). The proposed effective date of this transaction is the date upon which PBC transfers certain of its assets and liabilities directly related to its operations in Alaska to PBC-AK as part of the Conversion Transaction.

For cost-sharing arrangements, furnish: (a) a brief description of the agreement; (b) a description of the period of time during which the agreement is to be in effect; (c) a brief description of each party's expenses of costs covered by the agreement; and (d) a brief description of the accounting basis to be used in calculating each party's costs under the agreement.

Services and Cost Sharing Agreement: Under the terms of the Agreement, the Acquired Companies will provide services to one or more of the other Acquired Companies on a cost-basis. PBC currently maintains an activity based cost accounting system, which will also be used by New PBC. Operating expenses are accumulated in accordance with Generally Accepted Accounting Principles and allocated to the lines of business based upon an appropriate quantifiable measure supporting the activities performed in the cost center. Costs are allocated at the account level within each cost center following Blue Cross and Blue Shield Association cost accounting guidelines and Federal Cost Accounting Standards. This Services and Cost Sharing Agreement shall be in effect until amended or replaced, and is attached hereto as Exhibit 4.

Intercompany Tax Sharing Agreement: Under applicable federal income tax laws and at the completion of the Conversion Transaction, all of the companies within the New PREMERA holding company system will be members of an affiliated group of corporations (the "Affiliated Group"), which will file consolidated federal income tax returns. The Tax Sharing Agreement, applicable to all members of the Affiliated Group, specifies the manner in which the parties will share among themselves (i) that portion of the consolidated tax liability of the Affiliated Group that will be allocated to New PBC under the Tax Sharing Agreement, and (ii) any reimbursements that will be required to be made by or to New PBC under the Tax Sharing Agreement for utilization of tax attributes. Each subsidiary must reimburse New PBC for any payment that New PBC will be required to make under the Tax Sharing Agreement for utilization by a subsidiary of tax attributes generated by another affiliate. New PBC must reimburse each subsidiary for the amount of payment New PBC received from another affiliate for utilization of the

tax attributes of the subsidiary. This Agreement shall be in effect until amended or replaced, and is attached hereto as Exhibit 5.

[Remainder of page intentionally left blank]

ITEM 7. SIGNATURE AND CERTIFICATION

Pursuant to the requirements of (i) Section 7, Chapter 462, Laws of 1993 and (ii) RCW ~~48.31C.050, States West Life Insurance Company, MSC Life Insurance Company~~ 48.31C.050, LifeWise Assurance Company, LifeWise Health Plan of Arizona, Inc., Premera Blue Cross on behalf of New Premera Blue Cross Corp. and LifeWise Health Plan of Washington on behalf of New LifeWise Health Plan of Washington, Inc. have caused this notice to be duly signed on their behalf in ~~Mountlake Terrace~~ Seattle, Washington on the ~~27~~5th day of ~~September, 2002~~ February, 2004.

(SEAL)

~~STATES WEST LIFE INSURANCE~~ LIFEWISE
ASSURANCE COMPANY

By: _____
Name: John P. Domeika
Title: Senior Vice President & General
Counsel

Attest:

Name: ~~Katharine M. Cramer~~ Peter R. Buck
Title: Assistant General Counsel

(SEAL)

~~MSC LIFE INSURANCE~~ LIFEWISE HEALTH PLAN
OF ARIZONA COMPANY, INC.

By: _____
Name: John P. Domeika
Title: Senior Vice President & General
Counsel

Attest:

Name: ~~Katharine M. Cramer~~ Peter R. Buck
Title: Assistant General Counsel

(SEAL)

PREMERA BLUE CROSS on behalf of [NEW
PREMERA BLUE CROSS CORP.]

By: _____
Name: John P. Domeika
Title: Senior Vice President & General
Counsel

Attest:

Name: ~~Katharine M. Cramer~~Peter R. Buck
Title: Assistant General Counsel

(SEAL)

LIFEWISE HEALTH PLAN OF WASHINGTON on
behalf of [NEW LIFEWISE HEALTH PLAN OF
WASHINGTON, INC.]

By: _____
Name: John P. Domeika
Title: Senior Vice President & General
Counsel

Attest:

Name: ~~Katharine M. Cramer~~Peter R. Buck
Title: Assistant General Counsel

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached notice dated ~~September 27, 2002~~February 5, 2004 for and on behalf of ~~States West Life Insurance Company, MSC Life Insurance Company~~LifeWise Assurance Company, LifeWise Health Plan of Arizona, Inc., [New Premera Blue Cross Corp.] and [New LifeWise Health Plan of Washington, Inc.]; that he is the Senior Vice President & General Counsel of ~~States West Life Insurance Company, MSC Life Insurance Company~~LifeWise Assurance Company, LifeWise Health Plan of Arizona, Inc., Premera Blue Cross, and LifeWise Health Plan of Washington; and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By: _____
Name: John P. Domeika

Under AS 21.22.060, Premera Blue Cross on behalf of Premera Blue Cross Blue Shield of Alaska Corp. has caused this notice to be signed on its behalf in the City of ~~Mountlake Terrace~~Seattle and State of Washington on the ~~27~~5th day of ~~September, 2002~~February, 2004.
(SEAL)

PREMERA BLUE CROSS on behalf of PREMERA
BLUE CROSS BLUE SHIELD OF ALASKA CORP.

By: _____
Name: John P. Domeika
Title: Senior Vice President & General
Counsel

Attest:

Name: ~~Katharine M. Cramer~~Peter R. Buck
Title: Assistant General Counsel

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached notice dated ~~September 27, 2002~~February 5, 2004 for Premera Blue Cross on behalf of Premera Blue Cross Blue Shield of Alaska Corp.; that he is the Senior Vice President & General Counsel of Premera Blue Cross; and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts stated in it are true to the best of his knowledge, information and belief.

By: _____
Name: John P. Domeika

Pursuant to the requirements of ORS 732.574, LifeWise Health Plan of Oregon, Inc. has caused this notice to be duly signed on its behalf in the City of ~~Mountlake Terrace~~Seattle, Washington on the ~~27~~5th day of ~~September, 2002~~February, 2004.

(SEAL)

LIFEWISE HEALTH PLAN OF OREGON, INC.

By: _____
Name: John P. Domeika
Title: Senior Vice President & General
Counsel

Attest:

Name: ~~Katharine M. Cramer~~Peter R. Buck
Title: Assistant General Counsel

CERTIFICATION

The undersigned deposes and says that the undersigned deponent has duly executed the attached application dated ~~September 27, 2002~~February 5, 2004 for and on behalf of LifeWise Health Plan of Oregon, Inc.; that the deponent is the Senior Vice President & General Counsel of LifeWise Health Plan of Oregon, Inc.; and that the deponent is authorized to execute and file such instrument. Deponent further says that the deponent is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By: _____
Name: John P. Domeika

FORM A CROSS REFERENCE GUIDE

OTHER FORM D:	CORRESPONDING SECTION OF WASHINGTON HEALTH CARRIER FORM D:
Alaska Form D	Washington Health Carrier Form D
Item 1	Item 1
Item 2(a)	None
Item 2(b)	None
Item 2(c)	Item 2(a)
Item 2(d)	Item 2(b)
Each regulated party's latest annual report, quarterly financial statement and any other financial information required to be filed since the latest year-end report filed with that party's regulatory authority.	None
Item 7 Managerial Agreements	Item 6
Item 7 Cost Sharing Arrangements	Item 6
Item 11	Item 7
Oregon Form D	Washington Health Carrier Form D
Item 1	Item 1
Item 2(a)	None
Item 2(b)	Item 2(a)
Item 2(c)	Item 2(b)
Item 6	Item 6
Item 7	Item 7
Washington Insurer Form D	Washington Health Carrier Form D
Item 1	Item 1
Item 2(a)	None
Item 2(b)	Item 2(a)
Item 2(c)	Item 2(b)
Item 6	Item 6
Item 7	Item 7
Item 6	Item 7(a)
Item 7	Item 7(b)

Exhibit 1

Agreements Between Acquired Companies

1. Administrative Services Agreement between LifeWise Oregon and SWL entered into on October 28, 1995 to be effective as of January 10, 1994. Under this agreement, LifeWise Oregon provides various administrative and product support services for certain SWL insurance business written in the state of Oregon. SWL was notified that this agreement was not disapproved by the Office of Insurance Commissioner on December 28, 1994.
2. Reinsurance Agreement between LifeWise Oregon and SWL entered into as of December 1999. Under this agreement, SWL provides reinsurance coverages to Lifewise Oregon for claims exceeding \$250,000. Prior regulatory approval was not required for this agreement.
3. Guaranty Agreement between Blue Cross of Washington and Alaska (now PBC) and SWL dated March 3, 1994. PBC agrees to infuse capital in the amount necessary to maintain SWL's admitted assets at a minimum of 120% of liabilities. PBC's maximum liability is \$5 million. Information about the agreement was submitted to the Office of Insurance Commissioner in Amendment Number 2 to the 1992 Form B annual registration statement for SWL dated April 13, 1994.

Exhibit 2

Agreements between an Acquired Company and an Affiliate

1. Intercompany Agency Agreement between PBC and PremeraFirst, Inc. entered into as of January 22, 1999. Under this agreement, PremeraFirst, Inc. acts as contracting agent for the purpose of entering into provider agreements for the provision of health care services to enrollees of PBC. This agreement was filed with the Office of Insurance Commissioner with the initial Form B filing on September 4, 2001.
2. Administrative Services Agreement between PBC and Quality Solutions effective September 1, 2000. Under this agreement, Quality Solutions offers certain investigation and recovery administrative services to PBC for health plan business. This agreement was filed with the Office of Insurance Commissioner with the initial Form B filing on September 4, 2001.
3. Administrative Services Agreement between PBC and Quality Solutions effective July 15, 2002. Under this agreement, Quality Solutions offers certain investigation and recovery administrative services to PBC for the BlueCard program, an additional line of business which was previously explicitly excluded from the scope of an existing administrative services agreement between the parties, and any other program or product of PREMERA or its affiliates other than those that have been previously agreed to by the parties. PBC was notified that the agreement was not disapproved by the Office of Insurance Commissioner on July 16, 2002.
4. Administrative Services Agreement between LifeWise Washington and NorthStar Administrators, Inc., effective May 1, 2001 and amended on February 26, 2002. Under this agreement, NorthStar Administrators, Inc. provides certain third party administrative services for LifeWise Washington, including, but not limited to, collecting subscription charges, adjudicating claims and paying health care providers for services rendered to members. This agreement was filed with the Office of Insurance Commissioner with the initial Form B filing on September 4, 2001. LifeWise Washington was notified that the amended agreement was not disapproved by the Office of Insurance Commissioner on February 26, 2002.

~~Exhibit~~ **EXHIBIT 3**

ITEM 8. ~~ITEM 8.~~ **IDENTITY OF PARTIES TO TRANSACTION**

(a) Names	(b) Home Office Address	(c) Principal Executive Address
[New Premera Blue Cross Corp.]	7001 220th St. SW, Bldg. 3 Mountlake Terrace, WA 98043-2124	Same
Premera Blue Cross Blue Shield of Alaska Corp.	2550 Denali Street, Suite 1404 Anchorage, AK 99503	7001 220th St. SW, Bldg. 3 Mountlake Terrace, WA 98043-2124
PremeraFirst, Inc.	7001 220th St. SW, Bldg. 3 Mountlake Terrace, WA 98043-2124	Same
MSC Life Insurance Company <u>LifeWise Health Plan of Arizona, Inc.</u>	3900 East Sprague Avenue <u>4343 N. Scottsdale Road, Suite 355</u> P. O. Box 3048 Spokane, WA 99220-3048 <u>Scottsdale, AZ 85251</u>	7001 220th St. SW, MS 222 Mountlake Terrace, WA 98043-2124
LifeWise Health Plan of Oregon, Inc.	7001 220th St. SW, Bldg. 3 Mountlake Terrace, WA 98043-2124	Same
[New LifeWise Health Plan of Washington, Inc.]	7001 220th St. SW, Bldg. 2 Mountlake Terrace, WA 98043-2124	Same
LifeWise Administrators, Inc.	2020 SW Fourth Avenue, Suite 1000 Portland, Oregon 97201	Same
NorthStar Administrators, Inc.	7001 220th St. SW, Bldg. 3 Mountlake Terrace, WA 98043-2124	Same
[New Quality <u>Calypso Healthcare</u> Solutions, Inc.]	7001 220th St. SW, Bldg. 3 Mountlake Terrace, WA 98043-2124	Same
States West Life Insurance Company <u>LifeWise Assurance</u>	7001 220th St. SW, Bldg. 2 Mountlake Terrace, WA 98043-2124	Same

Washington-Alaska Group Services, Inc.	7001 220th St. SW, Bldg. 2 Mountlake Terrace, WA 98043-2124	Same
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(a) Names	(d) Organizational Structure	(e) Description of the nature of the parties' business operations	(f) Relationship
[New Premera Blue Cross Corp.]	Corporation	Authorized to transact business as a health care service contractor in Washington.	Affiliate
Premera Blue Cross Blue Shield of Alaska Corp.	Corporation	Authorized to transact health and health insurance in Alaska.	Affiliate
PremeraFirst, Inc.	Corporation	Used as an agent for contracting with providers.	Affiliate
MSC Life Insurance Company LifeWise Health Plan of Arizona, Inc.	Corporation	Authorized to transact life and disability insurance in Washington.	Affiliate
LifeWise Health Plan of Oregon, Inc.	Corporation	Authorized to transact life and health insurance in Oregon and Idaho.	Affiliate
[New LifeWise Health Plan of Washington, Inc.]	Corporation	Authorized to transact the business as a health care service contractor in Washington.	Affiliate
LifeWise Administrators, Inc.	Corporation	Provides consolidated billing and collection services to affiliates.	Affiliate
NorthStar Administrators, Inc.	Corporation	Transacts business as a third party administrator.	Affiliate
[New Quality Calypso Healthcare Solutions, Inc.]	Corporation	Provides investigation and recovery services to health plans and self-funded employer benefit plans.	Affiliate
States West Life Insurance Company LifeWise Assurance	Corporation	Authorized to transact life and disability insurance in eleven western states.	Affiliate
Washington-Alaska Group Services, Inc.	Corporation	Transacts business as an insurance sales agency.	Affiliate

~~Exhibit~~ EXHIBIT 4

INTERCOMPANY SERVICES AND COST ALLOCATION AGREEMENT

This Intercompany Services and Cost Allocation Agreement (the “Agreement”) is made and entered into this ____ day of _____ 200_ by and between [NEW PREMERA CORP.], [NEW PREMERA BLUE CROSS CORP.], PREMERA BLUE CROSS BLUE SHIELD OF ALASKA CORP., PREMERA FIRST, INC., WASHINGTON-ALASKA GROUP SERVICES, INC., ~~MSC LIFE INSURANCE COMPANY~~ LIFEWISE HEALTH PLAN OF ARIZONA, INC., [NEW LIFEWISE HEALTH PLAN OF WASHINGTON, INC.], LIFEWISE ADMINISTRATORS, INC., [NEW ~~QUALITY~~ CALYPSO HEALTHCARE SOLUTIONS, INC.], LIFEWISE HEALTH PLAN OF OREGON, INC., ~~STATES WEST LIFE INSURANCE~~ LIFEWISE ASSURANCE COMPANY AND NORTHSTAR ADMINISTRATORS, INC. (individually referred to as a “Party” or collectively referred to as the “Parties.”)

Recitals.

WHEREAS, one or more of the Parties will provide services to one or more of the other Parties on a cost-basis; and

WHEREAS, the parties desire to establish the cost allocation methods and procedures for the allocation of general and administrative expenses related to those services by entering into a formal written agreement,

NOW, THEREFORE, in consideration of the mutual promises made and the terms and conditions hereunder described, it is hereby agreed as follows:

1. DEFINITION OF G&A EXPENSES. The term “G&A Expenses” shall mean those costs and expenses set forth and defined in Exhibit A (the “Chart of Accounts”), which may be amended from time to time and automatically incorporated into this Agreement without a formal written amendment to the Agreement, and all such costs and expenses as further defined from time to time by the Parties.

2. ACCUMULATION AND ALLOCATION OF G&A EXPENSES.

2.1 Except as otherwise provided in any separate written agreement between one or more of the Parties, the G&A Expenses shall be accumulated and allocated among the Parties in accordance with the following methods and procedures (the “Allocation Methods”):

- (a) [New PREMERA] or [New Premera Blue Cross Corp.] maintains an activity based cost accounting system under which G&A Expenses are accumulated in accordance with Generally Accepted Accounting Principles consistently applied and allocated to the lines of business based upon an appropriate quantifiable measure supporting the activities performed in the cost center, including, but not limited to, level of service, claims processed, membership, CPU utilized, time reporting and or activity; and
- (b) [New PREMERA] or [New Premera Blue Cross Corp.] allocates such G&A Expenses at the account level within each cost center consistent with BlueCross BlueShield Association (BCBSA) cost accounting guidelines and Federal Cost Accounting Standards (CAS).

2.2 The Allocation Methods shall be periodically reviewed and may be amended, if necessary, for:

- (a) changes in business practices;
- (b) changes in BCBS cost accounting guidelines and/or CAS; or
- (c) determinations that an inappropriate method has been used in the past, which did not fairly distribute the costs among two or more of the Parties.

Any such amendment to the Allocation Methods, including, but not limited to, the addition or deletion of new accounts and cost centers, shall not be subject to Section 6 of this Agreement.

3. RELATIONSHIP. Except as to matters covered by this Agreement or by any other written agreement, no Party is an agent of the other and shall not be liable for the obligations, acts of omission or commission of any other Party.

4. TERM OF CONTRACT. This Agreement shall become in full force and effect on the date first written above and shall continue in effect until terminated by the written agreement of the Parties or, as to any Party which ceases to be a Party, termination shall occur as of the effective date on which it ceases to be a Party hereto.

5. LAWS GOVERNING CONTRACT. This Agreement shall be construed and enforced according to the laws of the State of Washington.

6. MODIFICATION OF AGREEMENT. This Agreement constitutes the entire Agreement between the Parties hereto and except as otherwise specified herein, shall be modified only by the written agreement of the Parties.

7. ASSIGNMENTS. The provisions and terms of this Agreement shall be binding on and inure to the benefit of any successor, whether by operation of law or otherwise, to any of the Parties.

8. VALIDITY. In the event that any provision of this Agreement shall be held to be invalid or unenforceable, the same shall not affect in any way the validity or enforceability of the remainder of this Agreement.

9. COUNTERPARTS. This Agreement and any amendments thereto may be executed in any number of counterparts, each of which shall be deemed to be the original. If it is necessary at any time to add another affiliate to this Agreement, the Parties hereto agree that the affiliate may become a party to this Agreement by executing a duplicate copy of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above set forth.

[NEW PREMIERA CORP.]

[NEW PREMIERA BLUE CROSS CORP.]

By: _____
Print Name: _____
Date: _____

By: _____
Print Name: _____
Date: _____

PREMERA BLUE CROSS BLUE SHIELD
OF ALASKA CORP.

PREMERAFIRST, INC.

By: _____
Print Name: _____
Date: _____

By: _____
Print Name: _____
Date: _____

WASHINGTON-ALASKA GROUP
~~COMPANY~~ LIFEWISE HEALTH PLAN OF ARIZONA,

~~MSC LIFE INSURANCE~~

SERVICES, INC. INC.

By: _____
Print Name: _____
Date: _____

[NEW LIFEWISE HEALTH PLAN OF
WASHINGTON, INC.]

By: _____
Print Name: _____
Date: _____

LIFEWISE ADMINISTRATORS, INC.

By: _____
Print Name: _____
Date: _____

By: _____
Print Name: _____
Date: _____

[NEW ~~QUALITY~~ CALYPSO HEALTHCARE SOLUTIONS, ~~INC.~~] LIFEWISE
HEALTH PLAN OF
INC. OREGON, INC.

By: _____
Print Name: _____
Date: _____

By: _____
Print Name: _____
Date: _____

~~STATES WEST LIFE INSURANCE~~ LIFEWISE ASSURANCE COMPANY
NORTHSTAR ADMINISTRATORS, INC.
~~COMPANY~~_____

By: _____
Print Name: _____
Date: _____

By: _____
Print Name: _____
Date: _____

EXHIBIT A

CHART OF ACCOUNTS

➤ *TOTAL LABOR & LABOR OVERHEAD EXPENSES*

1) SALARIES

60100	BASE SALARIES
60110	SICK PAY
60120	VACATION PAY

INCENTIVE / BONUSES

60140	BONUSES
60200	SALES INCENTIVE EXPENSE
60220	NORTHSTAR PRODUCTION INCENTIVE

BENEFITS

60300	EXECUTIVE RETIREMENT
60310	REGULAR RETIREMENT
60400	401K EMPLOYER PORTION
60415	AGENT BENEFIT EXPENSE
60420	EMPLOYEE BENEFIT EXPENSE
60425	FLEX BENEFITS SALARY
60441	SEVERANCE PAY
60445	TERM. VACATION PAY
60450	INDUSTRIAL ACCIDENT
60490	FORMAL EDUCATION ASSISTANCE
60500	FICA TAXES
60510	UNEMPLOYMENT TAXES

OVERTIME

60250	OVERTIME PAY
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OUTSIDE LABOR

60270	OUTSIDE LABOR
-------	---------------

CAPITALIZED PROJECT COSTS

60600	CAPITALIZED PROJECT COSTS
-------	---------------------------

➤ NON-LABOR EXPENSES

a. PERSONNEL RELATED

60410	EMP. BENEFITS - MISCELLANEOUS
60411	EMP. BENEFITS ADMIN. - NORTHSTAR
60412	EMP. BENEFITS MISC.-RESTRICTED
60430	RELOCATION EXPENSE
60480	OUTSIDE TRAINING
60485	MEETINGS/CONFERENCES
62000	CO AUTO INSURANCE
62010	CO AUTO DEPRECIATION EXPENSE
62015	CO AUTO LEASE EXPENSE
62020	CO AUTO EXPENSE & MAINT
62100	TRANSPORTATION
62110	MEALS
62120	LODGING
62130	ENTERTAINMENT
62140	RECRUITING FEES
62500	PUBLICATIONS

i. INFRASTRUCTURE

ii. -BLDG, OFFICE EQUIPMENT

61000	OFFICE RENT
61020	OFFICE BLDG DEPRECIATION
61030	OFFICE BLDG INSURANCE
61040	OFFICE BLDG UTILITIES
61050	OFFICE BLDG MAINT & REPAIR
61060	STORAGE RENTAL & FEES
61070	OFFICE RELOCATION
61300	OFFICE EQ EXPENSE & MAINT
61310	OFFICE EQ DEPRECIATION
61320	OFFICE EQ RENTAL/LEASE
61325	OFFICE EQ SALE-LEASEBACK
61335	FURN. & FIXTURES SALE-LEASEBACK
62400	REAL ESTATE TAXES
62410	PERSONAL PROPERTY TAX
63250	FACILITIES RENTAL

iii. -MAINFRAME EQUIPMENT

61100	MF/SERVER EQ EXP & MAINTENANCE
61110	MF/SERVER EQ LEASE/RENTAL
61115	INSURED DATA CHARGES
61116	MF/SERVER EQ SALE-LEASEBACK
61120	MF/SERVER EQ DEPRECIATION

61140	MF/SERVER SOFTWARE EXP & MAINT
61150	MF/SERVER SOFTWARE AMORTIZATION
61155	MF/SERVER SOFTWARE SALE-LEASEBACK
61160	MF/SERVER SOFTWARE LEASE/RENTAL
61175	MF/SERVER SERVICES

iv. -PC EQUIPMENT

61200	PC EQ EXPENSE & MAINT
61210	PC EQ RENTAL/LEASE
61215	PC EQ SALE-LEASEBACK
61220	PC EQ DEPRECIATION
61240	PC SOFTWARE EXPENSE & MAINT
61250	PC SOFTWARE AMORTIZATION
61255	PC SOFTWARE SALE-LEASEBACK

v. -TELECOMMUNICATIONS EQUIPMENT

61700	TELEPHONE - LOCAL
61717	TELEPHONE CABLING
61720	TELEPHONE - LONG DISTANCE
61730	WIRELESS DEVICES
61740	NETWORK LINE CHARGES
61755	TELEPHONE EQUIP EXPENSE & MAINT
61765	TELEPHONE SOFTWARE EXPENSE & MAINT
61770	TELEPHONE EQUIP DEPRECIATION
61780	TELEPHONE SOFTWARE AMORTIZATION

-OTHER INFRASTRUCTURE

61345	MISC. LEASE EXPENSE
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MEMBER RELATED

61400	OUTSIDE PRINTING
61410	PRINTING SUPPLIES
61415	MICROFILMING
61460	ID CARDS
61600	POSTAGE
62420	EXCISE & BUSINESS TAXES - WA
62430	EXCISE & BUSINESS TAXES - AK
62600	MEMBERSHIP DUES

PROGRAM COSTS

62300	LEGAL SERVICES
62310	AUDIT & TAX SERVICES
62320	MEDICAL CONSULTING SERVICE
62325	MEDICAL EDUCATION/ADVISORY MEETINGS

62330	OTHER CONSULTING SERVICES
62340	LOBBYING
62700	ADVERTISING/PROMOTIONS/SPONSORSHIPS

OTHER EXPENSES

61510	OFFICE SUPPLIES
62470	LICENSES AND FEES
62820	CHARITABLE DONATIONS
62830	POLITICAL CONTRIBUTIONS
62900	INSURANCE MISCELLANEOUS
63000	BANK SERVICE CHARGES
63200	MISCELLANEOUS EXPENSE

b.

c. SUBS/TPA/REIMBURSEMENT EXP

63321	TPA EXPENSE - TEMPORARY CARE
63323	TPA EXPENSE - MEDICARE CROSSOVER
63324	TPA EXPENSE – MISC.
63327	TPA EXPENSE - VISION
63333	MDCN CLAIMS PROCESSING
63346	CLAIMS PROCESSING – OTHER
63347	NORTHSTAR ADM FEE
63400	AGENCY CONFERENCES
64000	NASCO FEES EXENSE
65010	MEDICARE REIMBURSEMENT
65420	BLUECARD PROGRAM CHARGES
65430	OUT OF AREA ADMIN EXPENSE (ITS)
65601	PPA NETWORK REIMBURSEMENTS
68500	AMORT OF GOODWILL

EXHIBIT 5

INTERCOMPANY TAX SHARING AGREEMENT

This Intercompany Tax Sharing Agreement (this “Agreement”) is made and entered into by and among [NEW PREMERA CORP.], [NEW PREMERA BLUE CROSS CORP.], PREMERA BLUE CROSS BLUE SHIELD OF ALASKA CORP., PREMERA FIRST, INC., WASHINGTON-ALASKA GROUP SERVICES, INC., ~~MSC LIFE INSURANCE COMPANY~~ LIFEWISE HEALTH PLAN OF ARIZONA, INC., [NEW LIFEWISE HEALTH PLAN OF WASHINGTON, INC.], LIFEWISE ADMINISTRATORS, INC., [NEW ~~QUALITYCALYPSO~~ HEALTHCARE SOLUTIONS, INC.], LIFEWISE HEALTH PLAN OF OREGON, INC., ~~STATES WEST LIFE INSURANCE~~ LIFEWISE ASSURANCE COMPANY, AND NORTHSTAR ADMINISTRATORS, INC. (individually referred to as the “Affiliate” and collectively referred to as the “Affiliates.”)

ITEM 9. ~~Item 8.~~ RECITALS.

A. Parent and the Affiliates comprise an affiliated group of corporations (the “Affiliated Group”) filing a Consolidated Return (as defined herein) under the applicable provisions of the Code.

B. The parties wish to specify the manner in which they will share the Consolidated Tax Liability (as defined herein) of the Affiliated Group and the manner in which certain Tax Attributes (as defined herein) are to be treated as among the members of the Affiliated Group.

NOW, THEREFORE, it is hereby agreed as follows:

1. DEFINITIONS.

1.1 “AMT” means the alternative minimum tax determined as provided in Section 55 of the Code.

1.2 “Code” means the Internal Revenue Code of 1986, as amended, together with the Treasury Regulations promulgated thereunder and the applicable rulings and interpretations thereof, and any successor provision thereof.

1.3 “Consolidated Return” means the consolidated federal income tax return filed by Parent on behalf of the Affiliated Group.

1.4 “Consolidated Return Year” means any Taxable Year for which a Consolidated Return is filed.

1.5 “Consolidated Tax Attributes” means Tax Attributes available to reduce the Regular Tax liability or the AMT liability, as the case may be, of a member of the Affiliated Group in a Consolidated Return Year in excess of the Tax Attributes that would have been available to such member in such Taxable Year on a Separate Return Basis.

1.6 “Consolidated Tax Liability” means the overall liability of the Affiliated Group for Taxes in any Consolidated Return Year, as reported on the Consolidated Return.

1.7 “Net Operating Loss” means any net operating loss or net operating loss carryover or carryback, as defined in Section 172 of the Code.

1.8 “Originating Affiliate” means the Affiliate which generated a particular Tax Attribute.

1.9 “Regular Tax” means the regular tax imposed on the taxable income of a corporation at the rates specified in Section 11 of the Code.

1.10 “Separate Tax Liability” means the amount (if any) of Regular Tax for which an Affiliate would be liable in any Taxable Year if the Affiliate had not joined in the filing of a Consolidated Return, but had instead filed (with its subsidiaries) and computed its Tax on a Separate Return Basis.

1.11 “Separate Return Basis” means the computation of Tax for a member of the Affiliated Group on the basis of a separate federal income tax return (including an Affiliate and its subsidiaries) for the Taxable Year.

1.12 “Tax” or “Taxes” means, with respect to any taxpayer for any Taxable Year, either the Regular Tax or the AMT, whichever is applicable for such Taxable Year.

1.13 “Taxable Year” means any Consolidated Return Year or separate taxable year, as the case may be.

1.14 “Tax Attributes” ~~means either~~ includes Net Operating Losses ~~or~~ Tax Credits, capital loss carryforwards, and excess charitable contributions.

1.15 “Tax Credit” means any credit or credit carryover that may be applied to reduce a taxpayer’s Regular Tax liability, including but not limited to the minimum tax credit determined as provided in Section 53 of the Code.

1.16 “Utilization Year” means the Taxable Year in which a particular Tax Attribute is utilized to offset the income of, or reduce the Taxes attributable to, an Affiliate other than the Originating Affiliate in determining the Affiliated Group’s Consolidated Tax Liability.

2. ALLOCATION OF CONSOLIDATED TAXABLE LIABILITY.

2.1 Consolidated Return. For each Taxable Year, commencing with the effective date of this Agreement, Parent and the Affiliates shall join in the filing of a Consolidated Return; and the parties agree to file such consents, elections and other documents as may be necessary or appropriate for such purpose. Parent shall pay on behalf of the Affiliated Group, on or before the due date for each Consolidated Return Year (including extensions), all Taxes reported thereon.

2.2 Allocation of Consolidated Tax Liability Among Parent and Affiliates. Each Affiliate shall be responsible for ~~an~~and shall reimburse the Parent for its share of the Affiliated Group’s Consolidated Tax Liability. An Affiliate’s share of the Affiliated Group’s Consolidated Tax Liability shall be determined as follows:

a. If Regular Tax Is Payable. If the Affiliated Group’s Consolidated Tax Liability is for the Regular Tax, the Affiliate’s share of such Tax shall be equal to its Regular Tax liability, computed on a Separate Return Basis, after taking into account all Consolidated Tax Attributes available to such Affiliate to reduce its Separate Tax Liability.

b. If AMT is Payable. If the Affiliated Group’s Consolidated Tax Liability is for the AMT, the Affiliate’s share of such Tax shall be the amount of AMT for which the Affiliate would be liable if computed on a Separate Return Basis (and without regard to the Regular Tax for such Taxable Year), after taking into account all Consolidated Tax Attributes available to such Affiliate to reduce AMT.

2.3 Payment. Each Affiliate shall pay promptly to the Parent, on a quarterly basis not later than the due date for the estimated quarterly payment of Taxes of the Affiliated Group, the Affiliate’s share of such payment, estimated in the same manner as specified in Section 2.2, with final adjustments to be made following the preparation of the Consolidated Return for the Consolidated Return Year.

3. UTILIZATION OF TAX ATTRIBUTES.

3.1 Generally. In certain Consolidated Return Years, the Separate Tax Liability of one member of the Affiliated Group may be reduced through the utilization of Net Operating Losses of another member, or the Taxes payable by the Affiliated Group as a whole may be reduced by Tax Credits generated or earned by one member of the Affiliated Group which are in effect used to reduce the Separate Tax Liability of the other members. The parties intend that the tax savings attributable to the use of such Tax Attributes should inure generally to the benefit of the member of the Affiliated Group (“Originating Affiliate”) that earned or generated the Tax Attributes in question; and that the members of the Affiliated Group should reimburse one

another, through their common Parent, for the value of the Consolidated Tax Attributes utilized in each Consolidated Return Year.

3.2 Reimbursement for Utilization of Tax Attributes. For each Consolidated Return Year in which Consolidated Tax Attributes generated or earned by an Affiliate are utilized to reduce the Regular Tax liability of other members of the Affiliated Group (without regard to whether the Affiliated Group's Consolidated Tax Liability for such Taxable Year is computed with references to the Regular Tax or the AMT), the Affiliate utilizing the Tax Attributes shall reimburse the Parent, and the Parent shall in turn reimburse each Originating Affiliate, for the value of the Consolidated Tax Attributes so utilized. Such reimbursements shall be made as provided in Paragraph ~~3.5~~3.3; and the value of the Tax Attributes in question shall be determined by reference to the differences between (i) the Affiliate's share of the Affiliated Group's Consolidated Tax Liability in the Utilization Year(s), and (ii) the share (as calculated pursuant to Section 2.2) of such Consolidated Tax Liability that the Affiliate would have been responsible for had said Tax Attributes not been available to the Affiliated Group in the Utilization Year(s).

~~3.3 Components. The parties will not reimburse one another for the use of components of taxable income other than the specific Tax Attributes named. Therefore, such components as capital loss carryforwards, excess charitable contributions, etc., will not be accounted for on a Separate Return Basis for purposes of this Agreement.~~ 3.43.3 Payment.

Each Affiliate shall pay or credit Parent, and Parent shall pay or credit each Originating Affiliate, on a quarterly basis in each Utilization Year, not later than the due date for the estimated quarterly payment of Taxes of the Affiliated Group for such year, the estimated amount which each such member of the Affiliated Group is required to pay, or is entitled to receive, for such quarter, with a final adjustment to be made following the preparation of the Consolidated Return for such Utilization year.

4. ADJUSTMENT. In the event of any adjustment of the Consolidated Tax Liability of the Affiliated Group for any Consolidated Return Year, by reason of the filing of an amended return, tentative loss carryback refund application, claim for refund, or an examination by the Internal Revenue Service, the respective liabilities of Parent and each Affiliate shall be redetermined hereunder after fully giving effect to any such adjustment, as if such adjustment had been part of the original computation; and the parties shall promptly settle any amounts owing among them.

5. FINANCIAL ACCOUNTING STANDARDS. For purposes of applying Statement of Financial Accounting Standards No. 109 ("FAS 109"), "current tax liability" of any Affiliate shall mean the amount due to the Parent under Section 2.2 of this Agreement, and "deferred tax liability" shall mean the deferred tax liability of each Affiliate based on the books and records of the Affiliate. Each Affiliate agrees to record income tax liability in its books and records in accordance with FAS 109. To the extent required by regulations promulgated by the applicable domiciliary state, the Parent and/or an Affiliate agrees to account for its income taxes in accordance with the Statement of Statutory Accounting Principles Number 10, as amended from time to time.

6. MISCELLANEOUS PROVISIONS.

6.1 The provisions and terms of this Agreement shall be binding on and shall inure to the benefit of any successor (whether by operation of law or otherwise) to any of the parties hereto.

6.2 Unless earlier terminated by the written mutual agreement of the parties, this Agreement shall remain in effect with respect to all taxable years for which Consolidated Returns are filed by the Affiliated Group.

6.3 No modification, extension, renewal, rescission, termination, or waiver of any provision contained herein shall be binding upon any party unless made in writing and signed on its behalf by an authorized officer of such party.

6.4 If at any time any other company becomes a member of the Affiliated Group, the parties hereto agree that such new member may become a party to this Agreement by executing a duplicate copy of this Agreement. Unless otherwise specified, such new member shall have all the rights and obligations of each other Affiliate under this Agreement.

6.5 This Agreement and any amendments to this Agreement may be executed in any number of counterparts, each of which shall be deemed to be the original, although the others shall not be produced, and execution of a counterpart shall be sufficient to make this Agreement binding upon the party executing the same.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above set forth.

[NEW PREMIERA CORP.]

[NEW PREMIERA BLUE CROSS CORP.]

By: _____
Print Name: _____
Date: _____

By: _____
Print Name: _____
Date: _____

PREMERA BLUE CROSS BLUE SHIELD
OF ALASKA CORP.

PREMERA FIRST, INC.

By: _____
Print Name: _____
Date: _____

By: _____
Print Name: _____
Date: _____

WASHINGTON-ALASKA GROUP
SERVICES, INC.

~~MSC LIFE INSURANCE COMPANY~~
LIFEWISE HEALTH PLAN OF
ARIZONA, INC.

By: _____
Print Name: _____
Date: _____

By: _____
Print Name: _____
Date: _____

[NEW LIFEWISE HEALTH PLAN OF
WASHINGTON, INC.]

LIFEWISE ADMINISTRATORS, INC.

By: _____
Print Name: _____
Date: _____

By: _____
Print Name: _____
Date: _____

LIFEWISE ASSURANCE COMPANY

NORTHSTAR ADMINISTRATORS, INC.

By: _____
Print Name: _____
Date: _____

By: _____
Print Name: _____
Date: _____

NEW CALYPSO HEALTHCARE

LIFEWISE HEALTH PLAN OF

~~[NEW QUALITY SOLUTIONS, INC.] ——— LIFEWISE HEALTH PLAN OF~~
OREGON, INC.

By: _____	By: _____
Print Name: _____	Print Name: _____
Date: _____	Date: _____

EXHIBIT 6

MANAGEMENT AGREEMENT

This Management Agreement (this "Agreement") is made and entered into as of the ____ day of 200__ (the "Effective Date"), by and between [New Premera Blue Cross Corp.], a Washington corporation ("New PBC"), and Premera Blue Cross Blue Shield of Alaska Corp., an Alaska corporation (PBC-AK).

Recitals.

1. PBC-AK is an Alaska for-profit insurance company that is licensed to act as an "insurer" and transact "health and health care insurance" within the meaning of Section 21.12.050 of the Alaska Statutes ("AS").

2. Pursuant to the Premera Blue Cross/Premera of Alaska Transfer of Assets Agreement, dated _____, 200__ (the "Alaska Transfer Agreement"), between New PBC's predecessor, Premera Blue Cross, a Washington non-profit corporation ("PBC"), and PBC-AK, PBC transferred certain of its assets and liabilities directly related to the health plans, benefit administration contracts and any other business then conducted by PBC in the State of Alaska to PBC-AK (collectively, the "Transferred Assets").

3. PBC-AK now desires that New PBC provide and New PBC desires to provide the Management Services (as defined below).

4. New PBC's compensation for the Management Services to be rendered hereunder is not based on the volume of premiums written by PBC-AK as set forth in Section 21.27.010(f)(1)(B) of the AS.

5. New PBC is a wholly owned subsidiary of New PREMERA Corp., which is subject to AS 21.22 and that owns or controls PBC-AK as set forth in Section 21.27.010(f)(2)(C) of the AS.

6. The parties hereto intend that New PBC be exempt from the managing general agent licensing requirement set forth in Section 21.27.010(a) of the AS by virtue of Section 21.27.010(f) of the AS.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Management Services.

(a) New PBC shall provide to PBC-AK all management and administrative services reasonably required by PBC-AK in relation to the Transferred Assets, or otherwise, in order for PBC-AK to carry out its business and operations in manner substantially consistent with the manner in which PBC carried out its business and operation in Alaska prior to the transfer of the Transferred Assets pursuant to the Alaska Transfer Agreement (the "Transfer"), together with such other services as the parties hereto may agree from time to time (collectively, the "Management Services"). Exhibit A attached hereto contains a non-exclusive list of the Management Services to be provided by New PBC to PBC-AK, which may be amended from time-to-time.

(b) Unless otherwise specifically agreed by the parties, New PBC shall provide the Management Services in the same manner and with the same degree of care with which PBC performed similar services on its own behalf in relation to the Transferred Assets prior to the Transfer. The parties shall use that degree of ordinary and reasonable diligence in the performance of services hereunder that an experienced and qualified provider of similar services under a similar services agreement would use acting in like circumstances. New PBC shall not be required to increase the volume, scope or quality of the Management Services beyond that which has been specifically agreed to herein.

(c) Subject to the consent of the parties hereto and the applicable approval of regulatory authorities, New PBC may cause any Management Service it is required to provide hereunder to be provided by any Affiliate (as defined below) of New PBC or by any third-party. "Affiliate" of any specified entity shall mean any other entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, such specified entity, where "control" means the possession, directly or indirectly, of the power to direct management and policies of an entity, whether through the ownership of voting securities, contract or otherwise.

2. Compensation. In consideration for New PBC rendering the Management Services to PBC-AK, PCB-AK hereby agrees to reimburse New PBC any and all costs, charges and expenses incurred under this Agreement in accordance with the Intercompany Services and Cost Allocation Agreement dated _____, 200__.

3. Relationship of the Parties. New PBC and PBC-AK are independent contractors and shall not be deemed partners or joint venturers, or be governed by any legal relationship other than as independent contractors. Neither party shall be responsible for the debts, expenses or other obligations of the other party except as otherwise provided herein.

4. Term and Termination.

(a) Except as otherwise provided in this Section 4 or as otherwise agreed in writing by the parties hereto, this Agreement shall have an initial term of one year from the Effective Date, and will automatically renew thereafter for additional one year terms unless terminated pursuant to paragraph (b) of this Section 4.

(b) Either party may terminate this Agreement immediately in the event of (i) liquidation or dissolution of the other party, (ii) the making of an assignment by the other party of any of its assets for the benefit of a creditor, (iii) the filing by or on behalf of the other party of a voluntary petition under any federal or state bankruptcy statute, (iv) the filing against the other party of an involuntary petition under any federal or state bankruptcy statute, which petition is not dismissed within sixty days of such filing, or (v) the delivery of written notice by a party hereto to the other party not less than thirty (30) days prior to the effective date of termination.

(c) In the event of termination of this Agreement, New PBC shall provide access to or deliver to PBC-AK such books, records and other materials applicable to the Management Services provided hereunder.

5. Limitation on Liability and Indemnification.

(a) PBC-AK agrees that none of New PBC or its Affiliates and their respective directors, officers, agents, and employees (each, an "Indemnified Person") shall have any liability, whether direct or indirect, in contract or tort or otherwise, to PBC-AK for or in connection with the Management Services rendered or to be rendered by any Indemnified Person pursuant to this Agreement, any changes in the Management Services made by any Indemnified Person, the transactions contemplated hereby or any Indemnified Person's actions or inactions in connection with any such Management Services or transactions, except for damages which have directly resulted from New PBC or its Affiliates breach of this Agreement or such Indemnified Person's gross negligence or willful misconduct in connection with providing or failing to provide such Management Services.

(b) New PBC shall not be liable to PBC-AK for any indirect, special, consequential or punitive damage.

(c) PBC-AK agrees to indemnify and hold harmless each Indemnified Person from and against any damages, awards or judgments and to reimburse each Indemnified Person for all reasonable costs and expenses as they are incurred in investigating, preparing, pursuing, or defending any claim, action, proceeding, or investigation, whether or not in connection with pending or threatened litigation and whether or not any Indemnified Person is a party thereto, arising out of or in connection with the Management Services rendered or to be rendered by any Indemnified Person pursuant to this Agreement, the transactions contemplated hereby or any Indemnified Person's actions or inactions in connection with any such Management Services or

transactions; *provided, however*, that PBC-AK will not be responsible for any damages of any Indemnified Person that have resulted directly from such Indemnified Person's negligence or willful misconduct in connection with such Management Services.

6. Mutual Representations and Warranties. Each party hereto hereby represents and warrants to the other party as follows:

(a) it is duly organized and validly existing as a corporation under the laws of its jurisdiction of incorporation;

(b) it has the power to execute, deliver and perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(c) its obligations under this Agreement are its legal, valid and binding obligations, enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(d) no notices, reports or other filings are required to be made by it with, nor are any consents, registrations, permits, orders, licenses or authorizations required to be obtained by it from, any governmental authority or any other Person in connection with the execution, delivery and performance by it of this Agreement and the consummation by it of the transactions contemplated by this Agreement; and

(e) the execution, delivery and performance by it of this Agreement does not and will not, and the consummation by it of the transactions contemplated by this Agreement will not, with or without the giving of notice, the lapse of time, or both, (A) violate or conflict with its articles of incorporation or by-laws, (B) violate or conflict with any applicable law with respect to it, or (C) breach or result in a default under, permit the termination of, or permit the acceleration of the performance required by, any contract of it, except, in the case of this clause (C), such instances as would not have a material adverse effect on its assets, financial condition, results from operations or business.

7. Information and Confidential Information.

(a) Subject to applicable law and privileges, each party hereto covenants and agrees to provide the other party with all information regarding itself, the Management Services, and the transactions contemplated by this Agreement that the other party reasonably believes are required to perform its obligations under this Agreement in accordance with all applicable federal, state, county and local laws, ordinances, regulations and codes.

(b) PBC-AK and New PBC hereby covenant and agree to hold in trust and maintain confidential all Confidential Information (as defined below) relating to the other party. "Confidential Information" shall mean all information disclosed by either party to the other in connection with this Agreement whether orally, visually, in writing, electronically or in any other tangible form, and includes, but is not limited to, economic and business data, business plans, and the like, but shall not include (i) information which becomes generally available to the public other than as a result of disclosure in violation of the provisions of this Section 7, (ii) information which becomes available on a nonconfidential basis to a party from a source other than the other party to this Agreement; *provided*, that the party in question reasonably believes that such source is not or was not bound to hold such information confidential, (iii) information acquired or developed independently by a party without violating this Section 7 or any other confidentiality agreement with the other party, and (iv) information that any party hereto reasonably believes it is required to disclose by law; *provided*, that it first notifies the other party hereto of such requirement and allows such party a reasonable opportunity to seek a protective order or other appropriate remedy to prevent such disclosure. Without prejudice to the rights and remedies of either party to this Agreement, a party disclosing any Confidential Information to the other party in accordance with the provisions of this Agreement shall be entitled to equitable relief by way of an injunction if the other party hereto breaches or threatens to breach any provision of this Section 7.

(c) Pursuant to the HIPAA Privacy regulations, the parties agree that New PBC will be the Business Associate (as defined in 45 CFR §160.103) of PBC-AK. On or before the compliance date of the HIPAA Privacy regulations (codified at 45 CFR Part 160 and 164), the parties agree to amend this Agreement by adding an Exhibit outlining New PBC's Business Associate contractual obligations.

8. Miscellaneous.

(a) This Agreement (including the Exhibits constituting a part of this Agreement) and any amendments hereto, constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter hereof.

(b) Any notice, instruction, direction or demand under the terms of this Agreement required to be in writing will be duly given upon delivery, if delivered by hand, facsimile transmission, intercompany mail, or mail, to the following addresses:

<u>If to PBC-AK, to:</u>	<u>If to New PBC, to:</u>
<u>Premiera Blue Cross Blue Shield of Alaska Corp.</u>	<u>[New Premiera Blue Cross Corp.]</u>
<u>P.O. Box 327, Mail Stop</u>	<u>P.O. Box 327, Mail Stop</u>
<u>Seattle, WA 98111-</u>	<u>Seattle, WA 98111-0327</u>
<u>Facsimile:</u>	<u>Facsimile:</u>
<u>Attention:</u>	<u>Attention:</u>

or to such other addresses or telecopy numbers as may be specified to the other parties in accordance with this Section 8(b).

(c) This Agreement shall be construed in accordance with and governed by the laws of the State of Alaska, without giving effect to the conflicts of laws principles thereof.

(d) If any provision of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not render the entire Agreement invalid. Rather, the Agreement shall be construed as if not containing the particular invalid or unenforceable provision, and the rights and obligations of each party shall be construed and enforced accordingly.

(e) This Agreement may only be amended or modified in writing executed by both parties hereto.

(f) This Agreement is solely for the benefit of the parties hereto and shall not be deemed to confer upon third parties any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

(g) Except as otherwise provided in this Agreement, this Agreement shall not be assignable, in whole or in part, directly or indirectly, by any party hereto without (i) the prior written consent of the other party hereto and (ii) the approval of any regulatory agency, if required by applicable law. Any attempt to assign any rights or obligations arising under this Agreement without such consent shall be null and void *ab initio*; *provided, however*, that New PBC shall be entitled to assign this Agreement without the consent of PBC-AK to an Affiliate. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

(h) PBC-AK hereby recognizes that New PBC now renders or may in the future render management and other services (including services similar to the Management Services) to other entities that may or may not conduct activities similar to those of PBC-AK. New PBC shall be free to render such other services, and PBC-AK hereby consents thereto.

(i) Upon reasonable notice, New PBC shall provide access during normal business hours to its books and records applicable to the services provided hereunder to PBC-AK and/or

the State of Alaska's Division of Insurance. The foregoing provision shall survive the termination of this Agreement for a period of three (3) years following the effective date of such termination.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

[NEW PREMERA BLUE CROSS CORP.]

By: _____
Name: _____
Title: _____

PREMERA BLUE CROSS BLUE SHIELD
OF ALASKA CORP.

By: _____
Name: _____
Title: _____

Exhibit A

MANAGEMENT SERVICES

The Management Services, shall include, but not be limited to, the following:

- Accounting and financial management services
- Actuarial services
- Care Facilitation Services
- Claims adjudication services
- Corporate record keeping services
- Customer service and other operational support
- Employees and employee benefit services
- Facilities and facility management services
- Human Resources services
- Information technology services
- Investigation and recovery services
- Legal services
- Liability insurance services
- Provider contracting services
- Purchasing
- Regulatory compliance services and government relations
- Sales and Marketing services
- Subscriber and enrolled participant contracting services

EXHIBIT 7

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT is made as of the _____ day of _____, 2004, by and between [NEW PREMERA CORP.], a Washington corporation ("New PREMERA"), and NEW PREMERA BLUE CROSS BLUE SHIELD OF ALASKA CORP., an Alaska for-profit corporation ("Premera Alaska").

Recitals.

1. Premera Blue Cross, a Washington non-profit corporation, in connection with its reorganization to a stock corporation transferred certain assets to Premera Alaska, including individual and group contracts to Premera Alaska, pursuant to a Transfer of Assets Agreement dated • ("Transfer of Assets Agreement"). Premera Blue Cross then transferred its remaining assets and liabilities to New PREMERA and thereafter dissolved.

2. In connection with its review of the foregoing reorganization, the Alaska Division of Insurance (the "DOI") required New PREMERA to provide certain guarantees and other financial commitments to Premera Alaska. New PREMERA desires to agree to provide such commitments, subject to the terms and conditions contained herein.

3. New PREMERA and Premera Alaska entered into this Agreement in anticipation of the execution of the transaction documents set forth in Exhibit A, which is attached hereto and incorporated by this reference herein (collectively, the "Transaction Documents").

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Guaranty.

a. Subject to the terms and conditions contained herein, New PREMERA hereby agrees to guarantee (i) to the full extent of its assets, all of the contractual and financial obligations of Premera Alaska to its insureds, in accordance with the Blue Cross Blue Shield Association Guidelines to Administer the Controlled Affiliate License Agreement(s) and Standards, Standard 2—Financial Responsibility; and (ii) the expenses, liabilities and other obligations of Premera Blue Cross that were transferred to Premera Alaska as provided under the

Transfer of Assets Agreement in the event that Premera Alaska is unable to pay or provide for such expenses.

b. Subject to the terms and conditions contained herein, New PREMERA hereby agrees to provide capital contributions to Premera Alaska in an amount necessary for Premera Alaska to maintain a risk based capital position of 375%. The determination of whether such capital contributions are necessary shall be made at the time Premera Alaska is required under applicable Alaska law to file with the DOI its risk-based capital report. Any capital contributions required under this subsection shall be provided to Premera Alaska within thirty (30) days following the filing of such risk-based capital report.

2. Term and Termination. Subject to receipt of all applicable government approvals, this Agreement shall become effective upon the date of the reorganization of Premera Blue Cross (the "Effective Date") and shall terminate on the third anniversary of the Effective Date; provided, however, the provisions of Section 1(a) above shall not terminate except upon the written consent of the parties hereto, and the Alaska Division of Insurance.

3. Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties and each and all of their respective heirs, executors, administrators, successors and assigns.

4. Notices. All notices, consents, requests, demands and other communications hereunder shall be in writing, and shall be deemed to have been duly given or made: (a) when delivered in person, (b) three (3) days after deposited in the United States mail, first class postage prepaid, (c) in the case of telegraph or overnight courier services, one (1) business day after delivery to the telegraph company or overnight courier service with payment provided, or (d) in the case of telex or telecopy or fax, when sent, verification received; in each case addressed as follows:

(i) if to New PREMERA:

New PREMERA Corp.

P.O. Box 327

Mail Stop 316

Seattle, Washington 98111

Attention: John P. Domeika,

Senior Vice President and General Counsel

Facsimile: (425) 918-5267

with a copy to:

Preston Gates & Ellis LLP
925 Fourth Avenue, Suite 2900
Seattle, Washington 98104
Attention: C. Kent Carlson
Facsimile: (206) 623-7022

and

Sullivan & Cromwell
125 Broad Street
New York, New York 10004
Attention: William D. Torchiana
Facsimile: (212) 558-3588

(ii) if to Premera Alaska:

Premera Blue Cross Blue Shield of Alaska Corp.
2550 Denali Street, Suite 1404
Anchorage, AK 99503
Attention: Jeff Davis, President
Facsimile: (907) 258-1619

5. Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska, without regard to Alaska's conflict of law or choice of law rules.

6. Attorneys' Fees. In the event of any suit or other proceeding between the parties hereto with respect to the subject matter hereof, the prevailing party shall, in addition to such other relief as the court may award, be entitled to recover reasonable attorneys' fees, expenses and costs of investigation, all as actually incurred, including, without limitation, attorneys' fees, costs and expenses of investigation incurred in appellate proceedings or in any action or participation in, or in connection with, any case or proceeding under Chapters 7, 11 and 13 of the United States Bankruptcy Code or any successor thereto.

7. Amendments and Waivers. No amendment, modification, supplement, termination, consent or waiver of any provision of this Agreement, and no consent to any departure herefrom, shall in any event be effective unless the same is in writing and is signed by the party against whom enforcement of the same is sought. Any waiver of any provision of this Agreement and any consent to any departure from the terms of any provision of this Agreement shall be effective only in the specific instance and for the specific purpose for which given. No delay on the part

of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, no waiver on the part of any party hereto of any right, power or privilege hereunder shall operate as a waiver of any other right, power, or privilege hereunder, and no single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. The waiver or consent (whether express or implied) by any party of the breach of any term or condition of this Agreement shall not prejudice any remedy of any other party in respect of any continuing or other breach of the terms and conditions hereof, and shall not be construed as a bar to any right or remedy which any party would otherwise have on any future occasion under this Agreement.

8. Entire Agreement. This Agreement, including any exhibits or attachments referred to herein, together with the Transaction Documents, contain the entire agreement between the parties hereto regarding the subject matter hereof and may not be amended, altered or modified except by a writing signed by the parties hereto. This Agreement supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof, all of which are specifically integrated into this Agreement; provided that this Agreement shall not be interpreted as superseding any of the other Transaction Documents or provisions in the Plan of Conversion. No party hereto shall be bound by or charged with any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings, express or implied, not specifically set forth herein or in the Transaction Documents or provisions in the Plan of Conversion; and the parties hereto further acknowledge and agree that in entering into this Agreement they have not in any way relied and will not rely in any way on any of the foregoing not specifically set forth herein or in the Transaction Documents or provisions in the Plan of Conversion.

9. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10. Descriptive Headings. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

11. Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, shall be held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be in any way impaired thereby, it being intended that all remaining provisions contained herein shall not be in any way impaired thereby.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

NEW PREMERA CORP.

By: _____

Its: _____

PREMERA BLUE CROSS BLUE SHIELD OF ALASKA CORP.

By: _____

Print Name: _____

Date: _____

Its: _____

Print Name: _____

Date: _____

EXHIBIT A

THE TRANSACTION DOCUMENTS

BCBSA License Agreements

Excess Share Escrow Agent Agreement

Unallocated Shares Escrow Agreement

New PBC Guaranty Agreement

PBC-AK Guaranty Agreement

Intellectual Property License Agreement

Intercompany Services and Cost Allocation Agreement

Intercompany Tax Sharing Agreement

LifeWise/New LifeWise Transfer of Assets Agreement

New Premiera Blue Cross/New Premiera Blue Cross of Alaska Management Agreement

Premera Blue Cross/New Premiera Blue Cross Transfer of Assets Agreement

Premera Blue Cross/New Premiera of Alaska Transfer of Assets Agreement

New PBC/PREMERA Transfer of Shares Agreement

Premera Blue Cross Plan of Reorganization and Plan of Distribution

PREMERA/New PREMIERA Transfer of Assets Agreement

PREMERA Plan of Reorganization and Plan of Distribution

Quality Solutions/New Quality Solutions Transfer of Assets Agreement

Registration Rights Agreement

Voting Trust and Divestiture Agreements

[Plan of Conversion](#)

EXHIBIT 8

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT is made as of the _____ day of _____, 2004, by and between [NEW PREMERA CORP.], a Washington corporation ("New PREMERA"), and NEW PREMERA BLUE CROSS CORP., a Washington for-profit corporation ("New PBC").

Recitals.

1. Premera Blue Cross, a Washington non-profit corporation, in connection with its reorganization to a stock corporation transferred certain assets to New PBC, including individual and group contracts to New PBC, pursuant to a Transfer of Assets Agreement dated • ("Transfer of Assets Agreement"). Premera Blue Cross transferred its remaining assets and liabilities to New PREMERA and thereafter dissolved.
2. In connection with its review of the foregoing reorganization, New PREMERA desires to guarantee the obligations of New PBC to its subscribers, subject to the terms and conditions contained herein.
3. New PREMERA and New PBC entered into this Agreement in anticipation of the execution of the transaction documents set forth in Exhibit A, which is attached hereto and incorporated by this reference herein (collectively, the "Transaction Documents").

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

3. Guaranty. Subject to the terms and conditions contained herein, New PREMERA hereby agrees to guarantee to the full extent of its assets, all of the contractual and financial obligations of New PBC to its subscribers, in accordance with the Blue Cross Blue Shield Association Guidelines to Administer the Controlled Affiliate License Agreement(s) and Standards, Standard 6(H)—Financial Responsibility.
4. Term and Termination. Subject to receipt of all applicable government approvals, this Agreement shall become effective upon the date of the reorganization of Premera Blue Cross (the "Effective Date") and shall terminate only upon the written consent of the parties hereto, and the Washington State Office of the Insurance Commissioner.

3. Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties and each and all of their respective heirs, executors, administrators, successors and assigns.

4. Notices. All notices, consents, requests, demands and other communications hereunder shall be in writing, and shall be deemed to have been duly given or made: (a) when delivered in person, (b) three (3) days after deposited in the United States mail, first class postage prepaid, (c) in the case of telegraph or overnight courier services, one (1) business day after delivery to the telegraph company or overnight courier service with payment provided, or (d) in the case of telex or telecopy or fax, when sent, verification received; in each case addressed as follows:

(i) if to New PREMIER:

New PREMIER Corp.
P.O. Box 327
Mail Stop 316
Seattle, Washington 98111
Attention: John P. Domeika,
Senior Vice President and General Counsel
Facsimile: (425) 918-5267

with a copy to:

Preston Gates & Ellis LLP
925 Fourth Avenue, Suite 2900
Seattle, Washington 98104
Attention: C. Kent Carlson
Facsimile: (206) 623-7022

and

Sullivan & Cromwell
125 Broad Street
New York, New York 10004
Attention: William D. Torchiana
Facsimile: (212) 558-3588

(ii) if to New PBC:

Premiera Blue Cross Corp.

P.O. Box 327

Mail Stop 316

Seattle, WA 98111

Attention: Yoram Milo

Executive Vice President and

Chief Legal Public Policy Officer

Facsimile: (425) 918-5787

5. Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, without regard to Washington's conflict of law or choice of law rules. The parties irrevocably submit to the exclusive jurisdiction of the state and federal courts situated in King County, Washington in any proceeding relating to this Agreement, and agree that any process or summons in any such action may be served by providing to the party a copy thereof in accordance with the notice provisions of this Agreement.

6. Attorneys' Fees. In the event of any suit or other proceeding between the parties hereto with respect to the subject matter hereof, the prevailing party shall, in addition to such other relief as the court may award, be entitled to recover reasonable attorneys' fees, expenses and costs of investigation, all as actually incurred, including, without limitation, attorneys' fees, costs and expenses of investigation incurred in appellate proceedings or in any action or participation in, or in connection with, any case or proceeding under Chapters 7, 11 and 13 of the United States Bankruptcy Code or any successor thereto.

7. Amendments and Waivers. No amendment, modification, supplement, termination, consent or waiver of any provision of this Agreement, and no consent to any departure herefrom, shall in any event be effective unless the same is in writing and is signed by the party against whom enforcement of the same is sought. Any waiver of any provision of this Agreement and any consent to any departure from the terms of any provision of this Agreement shall be effective only in the specific instance and for the specific purpose for which given. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, no waiver on the part of any party hereto of any right, power or privilege hereunder shall operate as a waiver of any other right, power, or privilege hereunder, and no single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. The waiver or consent (whether express or implied) by any party of the breach of any term or condition of this Agreement shall not prejudice any remedy of any other party in respect of any continuing or other breach of the terms and conditions hereof, and shall not be construed as a bar to any right or remedy which any party would otherwise have on any future occasion under this Agreement.

8. Entire Agreement. This Agreement, including any exhibits or attachments referred to herein, together with the Transaction Documents, contain the entire agreement between the parties hereto regarding the subject matter hereof and may not be amended, altered or modified except by a writing signed by the parties hereto. This Agreement supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof, all of which are specifically integrated into this Agreement; provided that this Agreement shall not be interpreted as superseding any of the other Transaction Documents or provisions in the Plan of Conversion. No party hereto shall be bound by or charged with any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings, express or implied, not specifically set forth herein or in the Transaction Documents or provisions in the Plan of Conversion; and the parties hereto further acknowledge and agree that in entering into this Agreement they have not in any way relied and will not rely in any way on any of the foregoing not specifically set forth herein or in the Transaction Documents or provisions in the Plan of Conversion.

9. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10. Descriptive Headings. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

11. Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, shall be held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be in any way impaired thereby, it being intended that all remaining provisions contained herein shall not be in any way impaired thereby.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

NEW PREMIERA CORP.

By: _____
Its: _____

~~STATES WEST LIFE INSURANCE~~ ~~NORTHSTAR ADMINISTRATORS, INC.~~
~~COMPANY~~
NEW PREMIERA BLUE CROSS CORP.

By: _____ By: _____
Print Name: _____ Print Name: _____
Date: _____ Date: _____
Its: _____

EXHIBIT A

THE TRANSACTION DOCUMENTS

BCBSA License Agreements

Excess Share Escrow Agent Agreement

Unallocated Shares Escrow Agreement

New PBC Guaranty Agreement

PBC-AK Guaranty Agreement

Intellectual Property License Agreement

Intercompany Services and Cost Allocation Agreement

Intercompany Tax Sharing Agreement

LifeWise/New LifeWise Transfer of Assets Agreement

New Premiera Blue Cross/New Premiera Blue Cross of Alaska Management Agreement

Premiera Blue Cross/New Premiera Blue Cross Transfer of Assets Agreement

Premiera Blue Cross/New Premiera of Alaska Transfer of Assets Agreement

New PBC/PREMERA Transfer of Shares Agreement

Premiera Blue Cross Plan of Reorganization and Plan of Distribution

PREMERA/New PREMIERA Transfer of Assets Agreement

PREMERA Plan of Reorganization and Plan of Distribution

Quality Solutions/New Quality Solutions Transfer of Assets Agreement

Registration Rights Agreement

Voting Trust and Divestiture Agreements

[Plan of Conversion](#)

